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From: Menguc, Tugce on behalf of Siegel, Mark
Sent: Thursday, May 07, 2009 3:36 PM
To: Menguc, Tugce
Cc: Collins, Victoria
Subject: FYI: Pakistan Media Updates

2009 MAY - 7 PM 4:18
 CRIMISS/REGISTRATION UNIT

Pakistan military ordered to eliminate militants: PM

Media: AFP
 Date: 07 May 2009

ISLAMABAD- Pakistani Prime Minister Yousuf Raza Gilani announced Thursday that the military had been ordered to eliminate militants and "terrorists," appealing to the nation to stand against extremists.

He addressed the nation after attack helicopters and war planes pounded suspected Taliban hideouts in the deadliest fighting in the northwest district of Swat since a peace agreement was reached in February.

"In order to restore honour and dignity of our homeland, and to protect people, the armed forces have been called to eliminate the militants and terrorists," the prime minister said.

Gilani said militant efforts to disrupt peace and security had reached such a stage that the government believed "decisive steps" had to be taken.

Thousands of civilians streamed out of the Taliban stronghold and former tourist resort on foot or crammed into cars in the face of the onslaught, as the Red Cross warned that the humanitarian crisis was escalating.

"I appeal to the international community that they should help Pakistan look after the internally displaced persons at this point of time and also cooperate with us to enhance the capability of our law-enforcing institutions," Gilani said.

"I urge the people to unite to ensure the sovereignty and integrity of the country," added Gilani, wearing traditional Pakistani dress in a departure from the Western suits he frequently favours.

"The government has decided that they will not bow before the extremists and terrorists, but would rather force them to lay down arms," he said.

"The time has come when the entire nation should side with the government and the armed forces against those who want to make the entire country hostage and darken our future at gunpoint," the prime minister added.

Pakistani fighter jets and helicopters pounded Taliban positions in the country's Swat Valley Thursday as the military

Media: CNN
 Date: 07 May 2009

ISLAMABAD, Pakistan (CNN) -- The Pakistani government plans to scrap a tenuous peace deal with Taliban militants and launch an even more aggressive operation against them in northwestern Pakistan, a Pakistani military official said Thursday.

The military plans to begin a major offensive Thursday evening in Swat, the site of a faltering peace deal between the Pakistani military and the Taliban.

Pakistan's Prime Minister Yousuf Raza Gilani will announce the end of the peace deal and the military offensive Thursday night, the official said.

Between 12,000 and 15,000 Pakistani troops already are in Swat, according to the official. The official tells CNN more troops will be deployed in the Swat, Dir and Buner districts to fight the militants.

Pakistani fighter jets and helicopters pounded Taliban positions in the country's Swat Valley Thursday as the military continued its offensive against Taliban militants, the government said.

The bombing runs hit Taliban training and communications centers in Gath Peochar. Other operations hit an area of Swat called Qambar, where a "notorious militant commander named Shah Duran operates," said Maj. Naser Khan with the Pakistani military's Inter-Services Public Relations agency in Swat.

In other fighting, a son of a pro-Taliban cleric who negotiated the controversial peace deal in Swat Valley was killed Thursday morning, Pakistani and Taliban officials confirmed.

Kafayatullah, the son of Islamist fundamentalist leader Sufi Muhammed, died when mortar shells from Pakistani security forces hit a home in the Lower Dir district of Pakistan's North West Frontier Province, said Mehmood Khan, a Taliban commander, and a Pakistani intelligence official who asked not to be identified.

The attack took place in the Maiden area.

Kafayatullah was not a militant and not part of the Taliban movement, both sources said.

Muhammed, his father, signed the peace agreement with Pakistani President Asif Ali Zardari in April that allowed the Taliban to implement Islamic law, or sharia, in the region in exchange for an end to fighting.

Under the Taliban's strict interpretation of sharia law, women should not even be seen in public without their husbands or fathers.

The government began a military offensive in late April after Taliban militants moved into the Buner district and refused to disarm, in violation of the agreement.

The military accused the Taliban of putting civilians in harm's way.

"Every possible effort is made to prevent casualties of any innocent civilian but... the Taliban tries to put hurdles in their way and, when military fires... , there may be some civilian casualties... in the crossfire," Khan said.

On Wednesday, U.S. President Barack Obama said the leaders of Afghanistan, Pakistan and the United States were "three sovereign nations joined by a common goal: to disrupt, dismantle and defeat" al Qaeda and the Taliban.

Obama, in remarks delivered with Afghan President Hamid Karzai and Pakistani counterpart Asif Ali Zardari at the White House, said the security of the three nations was linked.

Al Qaeda and its allies are responsible for killing innocent civilians and challenging the democratically elected governments in the nations, Obama said. The U.S. has made a "lasting commitment [that it] will not waiver" in efforts to defeat extremists and support the Afghan and Pakistani governments, he added.

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From: Menguc, Tugce on behalf of Siegel, Mark
Sent: Wednesday, May 06, 2009 4:37 PM
To: Menguc, Tugce
Subject: *WITH CORRECTIONS* FYI: Ambassador Holbrooke's Testimony- House Foreign Relations Committee May 5, 2009
Attachments: 5-5-2009 Holbrooke HOUSE FOREIGN AFFAIRS COMMITTEE.doc

For your interest, please find attached Ambassador Holbrooke's Testimony from yesterday's House Foreign Affairs Committee Meeting.

This material is distributed by Locke Lord Strategies on behalf of the Embassy of The Islamic Republic of Pakistan. Additional information is available at the Department of Justice, Washington, D.C.

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200 MAY - 7 PM 4:18
CRIM/ISS/REGISTRATION UNIT

PANEL I OF HEARING OF THE HOUSE FOREIGN AFFAIRS COMMITTEE
■ SUBJECT: FROM STRATEGY TO IMPLEMENTATION: THE FUTURE OF THE U.S.-PAKISTAN
RELATIONSHIP
■ CHAIRED BY: REP. HOWARD BERMAN (D-CA)
■ WITNESSES: RICHARD C. HOLBROOKE, SPECIAL REP. FOR AFGHANISTAN AND
PAKISTAN;

2172 RAYBURN HOUSE OFFICE BUILDING, WASHINGTON, D.C.
12:15 P.M. EDT, TUESDAY, MAY 5, 2009

REP. BERMAN: The committee will come to order. It's a real pleasure for me to welcome Ambassador Richard Holbrooke, special representative for Afghanistan and Pakistan, to the committee this afternoon for his first appearance testifying before Congress in his new capacity, although he's been to this committee a number of times over the years.

We know you have an extremely busy schedule, particularly with the second round of trilateral-U.S.-Afghanistan-Pakistan meetings starting tomorrow. We appreciate your taking the time to be here.

Our second panel this afternoon will feature several noted regional experts, including Christine Fair from the RAND Corporation, Lisa Curtis from the Heritage Foundation and Dan Markey from the Council on Foreign Relations.

I'll yield myself time for an opening statement.

Ambassador Holbrooke, all of us are deeply concerned about the deteriorating security situation in Pakistan. As I noted in our recent hearing with Secretary Clinton, the United States has an enormous stake in the security and stability of that country. We can't allow al Qaeda or any other terrorist group that threatens our national security to operate with impunity in the tribal regions of Pakistan, nor can we permit the Pakistani state and its nuclear arsenal to be taken over by the Taliban.

In short, it appears to many of us that Pakistan is at a tipping point, and we need to do whatever we can to make sure it goes the right way. We know you understand the gravity of the situation and commend you and your colleagues in the Obama administration for developing a comprehensive Afghanistan-Pakistan strategy.

But now comes the hard part -- translating that thoughtful strategy into real changes on the ground. How can the United States forge a true strategic partnership with Pakistan? What can we do to strengthen Pakistan's democratic government and to make it a force for stability in a volatile region? To help achieve these goals, a bipartisan group of my colleagues and I recently introduced H.R. 1886, the Pakistan Enduring Assistance and Cooperation Enhancement Act. This legislation would massively expand economic, social and democracy assistance to Pakistan and also provide a significant increase in military assistance.

Specifically, the bill provides funding to strengthen the capacity of Pakistan's democratic institutions, including its parliament, judicial system and law enforcement agencies. It also calls for increased assistance for Pakistan's public education system, with an emphasis on access for women and girls.

To demonstrate America's long-term commitment to the stability and democratic future of Pakistan, H.R. 1886 authorizes a permanent fund in the U.S. Treasury that will serve as a conduit for most non-military assistance to Pakistan.

With regard to military assistance, our legislation increases funding for professional military education, with an emphasis on training in counterinsurgency and civil-military relationships. It boosts the funding available for Pakistan to purchase military equipment and requires that 75 percent of those funds be used for items directly related to counterinsurgency and counterterrorism.

The legislation also codifies the 2006 contract between the United States and Pakistan that requires Pakistan to pay for F-16 fighter aircraft with its own national funds rather than American tax dollars.

To strengthen civilian control of the military, H.R. 1886 mandates that all military assistance flow through Pakistan's elected civilian government.

Finally, there's been much discussion and, I think, a great deal of misunderstanding about the accountability provisions in this legislation. When I hear people talk about rigid or inflexible conditionality, I'm not sure exactly what they're referring to. Let me just read from the bill. Section 206 provides that no military assistance may be provided to Pakistan unless the president determines, and I'm quoting, "that the government of Pakistan during the preceding fiscal year has demonstrated a sustained commitment to and made progress towards combating terrorist groups, including taking into account progress the government of Pakistan has made with regard to ceasing support, including by any element within the Pakistani military or its intelligence agency, to extremist and terrorist groups, particularly to any group that has conducted attacks against the U.S. or coalition forces in Afghanistan, including Afghanistan national security forces or against the territory of India or the people of India. Secondly, d, closing terrorist camps in the FATA, dismantling terrorist bases in other parts of the country, including Quetta and Muridke, and taking action when provided with intelligence about high-level terrorist targets. C, preventing cross-border attacks into neighboring countries. And d, strengthening money-laundering and anti-terrorism laws."

These are just factors in the consideration the president would give. Ambassador Holbrooke, we are simply asking the Pakistanis to keep the commitments they have already made to fight the terrorists who threaten our national security and theirs, and that they make some progress doing so, with progress defined very broadly.

If the president is unable to make that determination or a second one relating to cooperation on nuclear nonproliferation, then he always can take advantage of the waiver we provide. Which of these conditions are unreasonable or unattainable? And if they are, what does that tell us about our relationship with Pakistan?

We hear that the administration will soon propose its own set of benchmarks for Pakistan. We look forward to working with you on accountability measures as H.R. 1886 moves through the legislative process. And we remain very open to hearing other formulations of the kind of accountability that I think all of us want.

Ambassador Holbrooke, we look forward to hearing your assessment of the situation in Pakistan, your recommendations for implementing the Afghanistan-Pakistan strategy and your thoughts on the legislation we recently introduced.

I now turn to my good friend, the Ranking Member Ileana Ros-Lehtinen for any statement she may want to make.

REP. ILEANA ROS-LEHTINEN (R-FL): Thank you so much, as always, Mr. Chairman.

And thank you, Ambassador, and the other panelists who will be with us today.

I will focus my remarks on the outcome of the recent review and the implications for policy going forward. We are united in our goals. We want a long-term partnership with a modern, prosperous and democratic Pakistan that is at peace with itself and with its neighbors, a Pakistan that maintains robust controls over its nuclear weapons technology and a Pakistan that does not provide safe havens to al Qaeda, Taliban, other Islamic militant extremists.

While command and control of Pakistan's nuclear arsenal is presumably a top concern to Islamabad, recent Taliban advances underscore the critical importance of ensuring security for its nuclear materials and technologies. As Secretary Clinton testified recently, the nuclear weapons have been dispersed throughout Pakistan, increasing the risk that they may find their way to al Qaeda, Taliban and other Islamic extremists.

We must redouble our efforts on Pakistan's technical and human security capacity so as to ensure that there is a robust safeguard mechanism in place for its nuclear weapons program and facilities. The stakes are simply too high to ignore.

The administration has endorsed Senate proposals to increase nonmilitary assistance to Pakistan to \$1.5 billion over the next five years. When combined with existing or contemplated assistance programs, total U.S. aid to Pakistan, including reimbursement to the Pakistani military by the Department of Defense, would total at least 3.5 billion (dollars) for fiscal year or about 17.5 billion (dollars) total over the next five years. Operationally, how are we going to effectively put such funds to use?

The American embassy in Islamabad is under a virtual lockdown because of security concerns. We have withdrawn critical staff from our key consular outposts along the Pakistani frontier. And because of the difficult security environment, our Foreign Service officers generally only serve one-year tours in Pakistan. This means that they will have barely begun to understand their (brief ?) before they are rotated out and we lose critical institutional memory.

The administration proposes to remedy this difficulty, in part, with an \$800 million request in the supplemental appropriations bill for embassy security, construction and maintenance for Pakistan. Completion of these projects, however, will, in some cases, take several months and, in others many years. While issues of U.S. diplomatic concerns get sorted out, the administration has suggested that it may allocate much of the proposed increase in nonmilitary aid primarily toward budget support. Any proposed U.S. budget support would be in addition to at least \$14 billion committed by the international financial institutions through the year 2013.

Some would contend that enhanced trade with Pakistan may be far more economically meaningful than expanded aid. There are legislative efforts, we're told, that the administration supports that would create reconstruction opportunity zones in Afghanistan and in the border areas of Pakistan.

Unfortunately, about one-third of Pakistan's annual exports to the U.S. would be excluded from the definition of eligible products. There is limited industrial activity on the border areas of Pakistan and Afghanistan, obviously. The Pakistani state is finding it hard to provide for basic amenities for its current population, much less after the expect boom in its population size.

Further, under the circumstances, entrepreneurs are likely to be wary of new investments into proposed industrial zones. The U.S. therefore needs to think far more boldly about mechanisms to expand trade opportunities in Pakistan and elsewhere in the developing world.

Turning to the immediate security concerns and urgently needed assistance on this front, there needs to be a secure and reliable source of funding, not just for military assistance, but to assist the police and civilian law enforcement as the first line of defense against extremists.

Some observers have recently argued that past cut-offs which in turn affected IMET programs have seriously harmed our bilateral efforts and have made those Pakistani officers not participating in IMET increasingly vulnerable to Islamic militants. Ambassador Holbrooke, do you see any correlation between this and the rising pro- Taliban sentiment within the ranks of the Pakistani military? This raises the core question of political will as implicit in proposals to dramatically ramp up U.S. foreign assistance. Is the assumption that Pakistan's political class shares the increasing U.S. concern about the threat posed to their own country by Islamic radicals?

If U.S. and Pakistani strategic priorities are seriously misaligned, then American foreign assistance will lose significance. Congress and the Executive branch must move quickly toward a common understanding on the immediate and longer-term priorities, the appropriate mix of policy instruments to maximize our prospects for success, and the timeline for implementing the different strategies, the different elements of our strategy.

Ultimately if we are to succeed in eliminating safe havens and strengthening the democracy in Pakistan, it will require the steadiness of purpose in Washington, but perhaps more importantly commensurate commitments by Islamabad. Thank you so much, Mr. Chairman, for your time.

REP. BERMAN: The time of the gentlelady has expired. We are now going to hear from the opening statements from the chair and the ranking member of the subcommittee on the South Asia and the Middle East, three minutes. And then we'll have a chance for other members to give one-minute opening statements. But we're not going to have a chance for other members to give one-minute opening

statements because we want to hear from Ambassador Holbrooke. But you will get five minutes of questions for Ambassador Holbrooke. And we do have a second panel, so I think that is the appropriate decision.

I now yield three minutes to the chairman of the South Asian Middle East Subcommittee, Mr. Ackerman.

REP. GARY L. ACKERMAN (D-NY): Thank you. Let's say that your pants were on fire. You'd have to do two things to survive: first, you'd have to recognize that the agonizing pain that you feel was the result of your pants being on fire. Second, you'd have to do something about it before you lost the ability to do something about it.

Let me be blunt. Pakistan's pants are on fire. That bad of course, but things are actually much, much worse. Pakistan's leaders, rather than recognizing and moving to address the urgent danger to their constitution and country, instead seem convinced that if left alone or attack piecemeal, the Islamist flame will simply burn itself out. That hope is, at best, folly.

Tragically, neither President Zardari nor former Prime Minister Sharif appear to recognize the scope and seriousness of the crisis that their country is in or of the necessity of setting their personal or party political fortunes aside in order to meet the danger. President Zardari has said the right things regarding counter- terrorism about how to fight against al Qaeda and the Taliban is Pakistan's fight as well. But in practice the government's response has been slow, weak, and ineffective as recent events have shown.

And while Mr. Sharif's long-standing ties to Islamist political parties could enable him to persuade Pakistani public of the need to confront the Taliban, his public downplaying of the Taliban threat raises serious questions about his commitment to fight the insurgents.

Whatever the rationale or the reason, the fact is Pakistan's political echelon has not yet risen to meet the moment. Historically one could expect that if the political situation remains as unstable as it is now, and if neither leader moves beyond the narrow political concerns, that the Pakistani military might again emerge as the only institution capable of saving the state.

I fear however that this time might be different. Even now with insurgents a mere hour's drive from the capitol, I suspect that among the senior officers of the Pakistani military in particular those with connections to the ISI that bedrock belief is still that Pakistan's real enemy is India remains untouched by events.

Pakistan's government, its military, and most importantly its people must come to realize that the militants and terrorists they nurtured and supported for decades to fight in Cashmere and to antagonize India have now turned on them. I and many other friends of Pakistan have said again and again that the fight against extremists is not just an American fight, nor is it solely an Afghan fight. The fight belonged to Pakistan before and it belongs to Pakistan now. I cannot say it more clearly. There is a real and present danger to Pakistan's survival, but it comes from inside, not outside, the country.

The fire is real, and they need to respond.

REP. BERMAN: The time of the gentleman has expired, and I'm now pleased to introduce our first witness. Ambassador Richard Holbrooke currently serves as special representative for Afghanistan and Pakistan. From 1999 to 2001 he served as U.S. ambassador to the United Nations. As assistant secretary of State for European Affairs from 1994 to 1996 he brokered the Dayton Peace Accords, which ended the bloody wars in the Balkans. In his long and distinguished diplomatic career, Ambassador Holbrooke has also served as special envoy to Cypress and the Balkans, U.S. ambassador to Germany, and assistant secretary of State for East Asian and Pacific Affairs.

I will introduce the second panel after questioning from Ambassador Holbrooke has finished.

Ambassador Holbrooke, it's yours.

MR. HOLBROOKE: Thank you, Mr. Chairman. It is a great honor to appear before you as the first opportunity that I've had to testify before Congress since I assumed my new job, but far from the first opportunity I've had to appear before your committee. You were kind enough to invite me here as a private citizen. You are by my count the sixth chairman of this committee I've testified before. In fact it was the first committee I ever testified before in 1977. In those days the rules were different, and I was asked to testify before I was confirmed. But things have changed.

Mr. Chairman, HR-1886 is a step forward in concept from previous legislation in previous years. It's focused on the right issues. It puts Pakistan in the right construct. It responds to the importance of the issue as outlined by both you and the ranking member and my friend Congressman Ackerman who thinks I live in his district because I'm next to it. So it's good to see you, sir. My actual congressman, for the record, is Jerry Nadler. But I'm happy to consider you my second congressman.

This is a very important part of our effort to build correct policy, and with your permission before I turn to the legislation and answer your questions, I would like to outline for you and for anyone who's listening what is going on in the next three days here in Washington because these are historically important meetings. And I think we should put them into context.

The administration began its term in office with the concept we're now all familiar with, that Afghanistan and Pakistan are interrelated in such a way so that success in either one required success in the other. It's simple now, but it was not the stovepiped approach that we inherited. And as we proceeded with our strategic review and as we progressed, things developed.

In late February the secretary of State invited the foreign ministers of Afghanistan and Pakistan to Washington and asked them to bring delegations with them to begin a trilateral process. That first round of trilateral talks was sufficiently successful so that the president, President Obama, decided to invite President Zardari of Pakistan and President Karzai of Afghanistan here to continue the talks at the presidential level.

This unprecedented trilateral diplomacy, including many senior members of both administrations, begins today. I will go directly from this meeting to meetings with members of the two governments. I already met with President Zardari last night, and I know that you will be meeting with President Zardari later in the day. And I would like to say in the presence of so many of your colleagues that that meeting with President Zardari this afternoon is an extremely important part of the formation of a correct American policy towards Afghanistan. And I congratulate you for chairing it. Your colleagues on the other side will have a similar meeting at lunch on Thursday chaired by Senator Kerry and Senator Lugar.

The meetings will begin tomorrow morning, the formal meetings, in the State Department. Secretary Clinton will meet privately with each delegation bilaterally, and then there will be a trilateral session in which we hope to produce some useful agreements of cooperation.

We will then move to the White House tomorrow afternoon where President Obama will follow a similar scenario meeting first with President Karzai and then with President Zardari in strict protocol sequence, and then a trilateral meeting of the two delegations.

This has not been done before. President Bush did have one dinner with the two presidents when it was Musharraf and Karzai, but it resulted in no progress, and there was no follow-on. This is part of a continuing process, and we would like your committee and the Congress as a whole to be partners in this very important effort.

It's interesting, Mr. Chairman, to discover that the two Finance ministers have never met each other until they will meet tomorrow. The two Agriculture ministers don't know each other. The two Interior ministers do not know each other. And yet for the United States our most vital national security interests depend on cooperation between Pakistan and Afghanistan. The animosity and misunderstandings between Afghanistan and Pakistan did not begin after 9/11 or even when the Soviet Union invaded 30 years. They go back to the origins of, they go back to independence, partition, Pakistani independence. And it is an extraordinarily complicated story.

We are involved in it because our most vital national security interests are at stake. I've heard people including people in this body compare this to Vietnam. I served three and a half years in Vietnam as a

civilian alongside the United States military in the Mekong Delta and in the American Embassy, and then I served another four years in Vietnam as a member of President Johnson's staff and the Paris Peace Talks. And I wrote one volume of the Pentagon Papers.

And I want to say to you today and to your colleagues as clear as I can that, while there are obvious structural similarities between the war in Afghanistan and the war in Vietnam, in both countries the problem of the sanctuary was critical; and the sanctuary area is the area we're here to discuss today. The core difference is: that the Viet Cong and the North Vietnamese army never posed a direct threat to the American homeland. And the people who are in this area who we are fighting pose a direct threat, having committed 9/11, having done Mumbai, having killed Benazir Bhutto, and they have publicly said they are going to do more of the same. That's al Qaeda of course and its allies the Taliban.

So we need to be very clear that we are talking today about an issue that is of direct importance to our national security.

Now in regard to HR-1886, this is a very big improvement on previous legislation. It vastly increases the economic assistance; it segments economic and military. The accountability provisions that are referred to apply as I understand it only to the military portion, a point which has been lost in the debate over it. And there are many other things in it that we greatly appreciate.

And I want to thank you, Mr. Chairman, and your colleagues, particularly the ranking minority member, for their bipartisanship in putting this bill together. It is very important, and we hope that it will be passed and that the differences with the House and Senate versions will be reconciled.

Having said that, I also wish to echo what Secretary of State Clinton said when she was asked about the accountability, and that is that we should be careful that we look for a sweet spot that is acceptable.

Now let me be clear here. The goals that you lay out in the accountability section are goals that we by and large share. But there has been a misunderstanding in Pakistan about motivation and about how this works, and so we would like to work with you. And I believe in this regard, Mr. Chairman, your meeting this afternoon with President Zardari is very important, arguably more important than this hearing.

We would like to work with you and with the Pakistani government to find that sweet spot that Secretary Clinton referred to.

In conclusion of my opening remarks, let me ask your permission to submit my formal opening statement for the record and to thank you very much, really deeply and personally, for your leadership in this most important issue. Thank you.

REP. BERMAN: Well, thank you, Ambassador. And without objection, your entire statement will be included in the record of this hearing. And I'll yield myself five minutes.

In the last few weeks, and some of us were actually there in Pakistan when this was starting, we've heard a stream of dire reporting from Pakistan and statements from administration officials regarding the situation in Pakistan. It is unquestionably a critical one. I'm aware that the main institution in Pakistan, the military, remains intact and that there are concerns among the Pakistani press that the U.S. is lending an air of panic to the situation.

Talk to us for a moment about how critical the threat is and what efforts we are undertaking to communicate U.S. intentions to address the threat directly to the Pakistani people.

MR. HOLBROOK: You know, the relationship within the United States and Pakistan which goes back to the birth of Pakistan as an independent nation is a complicated relationship between allies who have often misunderstood each other. I make that comment when I hear you refer to, when you use the phrase "U.S. lending an air of panic," or contributing to an air of panic about the situation.

REP. BERMAN: According to the Pakistani press.

MR. HOLBROOKE: Yes. And you know, so what's actually, we had a kind of an echo chamber situation. If you analyze it, and it's worth looking at for a minute, we spent a lot of time on this, Mr. Chairman. We've had extensive meetings in the State Department, the White House, trying to make sure that people understand exactly what we're saying.

When Swat fell and the deal was made, the concern that was expressed was not initially in the United States. It was among the people of Bishawar and Lahore and Islamabad who understandably felt threatened. Swat is not just another location. It is a very symbolic location. It's not part of the tribal areas. It is a vacation place. I like to point out to my New York friends that it's the same distance from Manhattan as East Hampton is from New York, and it bears the same psychological relationship to the people of Islamabad as a vacation spot, although real estate prices were not quite as high. And the --

REP. BERMAN: And we won't talk about the parties.

MR. HOLBROOKE: No. Please. But all joking aside, the fall of Swat created an air of panic, not in the United States initially, but among certain people in Pakistan; even in India I found people who recalled their vacations in Swat and were stunned by its fall.

That then came back to the United States. People going out to Pakistan, including members of the Congress, came back and made strong statements; private citizens made strong statements. One very well-known counter-insurgency expert, not a member of the U.S. government, not a consultant, said they had a matter of months before they might hit the wall.

And this began to create a ricochet effect and so that anyone intending honest, well-intentioned statements of concern became interpreted as predictions. And the press magnified this.

I'm not actually blaming anyone. I'm not blaming the people who made the statements. They were pro-Pakistan. I'm not blaming the press; they were reporting them. But it really took off as a story. And in that atmosphere President Zardari arrived in town yesterday. And he raised this issue with me immediately. And let me say frankly to you, I understand his concern and we all understand it.

So with your permission, Mr. Chairman, let me make very, very clear why he's here and what our goals are in Pakistan so that we can try to dispel a self-fulfilling sense of what Congressman Ackerman called the 'pants on fire' syndrome. Now he said the pants really are on fire, and I understand exactly what he said. But I also think it needs to be put in the perspective of what we're trying to achieve.

I would submit to you that Pakistan as such is of immense importance to the United States strategically and politically, that our goal must be unambiguously to support and help stabilize a democratic Pakistan headed by its elected president, Asif Ali Zardari.

I read in the newspapers that the administration is distancing itself from President Zardari in favor of his leading political opponent Nawaz Sharif and the Punjab. That's simply not true. We have not distanced ourselves from President Zardari. If we were, why would President Obama have invited him to Washington today? Why would we be here today talking about additional money for his government?

However, we do have relations with Nawaz Sharif and his brother who's the chief minister of the Punjab just the way we have relations with, let's say, David Cameron, the leader of the opposition in Great Britain. This is -- the point that needs to be underscored here is that we have the highest strategic interests in supporting this government. That's what HR 1886 is about, and that is what our administration is trying to do. And we should not allow comments about how serious the issue is to become confused with predictions of a collapse.

We do not think Pakistan is a failed state. We think it's a state under extreme test from the enemies who are also our enemies and we have, Mr. Chairman, the same common enemy, the United States and Pakistan.

REP. BERMAN: My time has more than expired. I didn't mention, and I should, that I'll recognize people for five minutes. It will include their question and your answer.

And I now yield five minutes to the Ranking Member.

REP. ILENA ROS-LEHTINEN(R-FL): Thank you, Mr. Chairman. Thank you Mr. Ambassador.

How would you describe Pakistan's commitment to rooting out militant groups? To what extent is Pakistan leery of taking on this challenge for two reasons, it's strategic concern with India and a perception that such a campaign either cannot be won or is actually against Pakistan's interests? Related to that, does the current situation in Pakistan make you any more concerned about the safety and security of the nuclear weapons, particularly the prospect of a radicalized military and the possibility of an inside job, meaning the seizure of some part of the arsenal by anti-American radicals within the Pakistani armed forces?

And thirdly, since we have so much time, if Americans are worried about Pakistan turning into a failed state, and I agree with you, it is not a failed state, our friends in India ought to be extremely concerned and I was interested in your comments on this question. In your discussion with leaders in India about the situation in Pakistan, how would you assess their level of concern? Thank you, sir.

MR. HOLBROOKE: Could you just -- the first point was which I got the second and the third.

REP. ROS-LEHTINEN: The commitment of the Pakistan in rooting out these militant groups. Are they hesitant because they think that they can't do it, or because of the problems that they have with India?

MR. HOLBROOKE: On your first point, we have long felt that our friends in Pakistan could put more resources into the struggle in the west. They have been reluctant to do so because of their longstanding concerns and past history with India. And we will continue to press on that.

In the interest of time, let me just say on the nuclear issue, most of this needs to be discussed in closed session. It is not an issue I have personally concentrated on because there's such an overwhelming agenda and other issues. I have followed it. I would be happy to discuss it further in closed session and bring with me the experts.

On the last question, thank you for saying that Pakistan's not a failed state; it's very important people get away from easy and attractive journalistic cliches. It just isn't. But it is a state under enormous social, political and economic pressures. And India is always a factor.

Finally, I want to be clear that when I talked about 1886, your bill, I greatly appreciate its motives, but I do want to be sure that I'm preserving the fact that there are things in it which Secretary Clinton and I and my colleagues do want to work with you on. To be clear and as we talked privately, there are other bills moving forward on the appropriations side. It is -- and I want to underscore the point made in this morning's Washington Post by Ahmed Rashid in the article "Pakistan's Critical Hour" which I hope would be well read and perhaps it could be even inserted --

REP. ROS-LEHTINEN: Thank you --

MR. HOLBROOKE: -- into the record.

REP. ROS-LEHTINEN: -- Mr. Ambassador just because we have such limited time, would you say that related to the Indian leaders and their perception of Pakistan, in your discussions with them, how do they see that --

MR. HOLBROOKE: The Indians?

REP. ROS-LEHTINEN: -- playing out for them?

MR. HOLBROOKE: Ever since I took this job, India's been in election campaign. They're voting right now; there's 700 million people voting. They have been listening, they've been very interested but they have not taken any clear positions at this point. The elections will be finished in about less than two weeks, and I look forward to returning and then I would be happy to return and give you a better answer.

But let me just say one thing. They really do share the understanding that what's happening in western Pakistan is of direct concern to them. The Indians have been public in saying they're not happy with the cooperation they got after the Mumbai attacks. We all know that.

I believe that for the first time since partition, India, Pakistan and the United States have a common threat, a common enemy and a common task. And I hope that after the elections and after these bills that are working the Hill work their way through, that we will be able to move to more of a consensus that a common threat requires common actions. But there are a lot of moving parts here.

REP. ROS-LEHTINEN: Sir and we certainly understand that you endorse that bill. You don't need to plug it in in every answer. We get it.

Thank you. (Laughter.) Good job, Mr. Chairman.

REP. BERMAN: Well, since the ranking member has committed your administration's endorsement to my bill, I will commit that as soon as we can, we'll get together with members of the administration to discuss in terms of both the secretary and you finding the sweet spot.

MR. HOLBROOKE: Thank you.

REP. BERMAN: And Mr. Ackerman is recognized for five minutes.

REP. ACKERMAN: Thank you very much. Very good to see you again Mr. Ambassador. Congratulations.

MR. HOLBROOKE: Thank you.

REP. ACKERMAN: The proposed sale of the new F-16s to Pakistan, will they be using that to fight the terrorists?

MR. HOLBROOKE: You're talking now about the new planes or the midlife upgrades? What are we specifically referring to?

REP. ACKERMAN: The F-16, C/D block 50/52s combat aircraft, 18 new ones.

MR. HOLBROOKE: The 18 new ones? The -- first of all -- you know, as you know, the mid life upgrades are moving forward with \$142 million of payment. And they have to pay for these. I am told by F-16 pilots that an F-16 with modern avionics can be used as a counterinsurgency tool, but quite honestly, it requires very sophisticated training. They did use the aging F-16s in their battles in Bajur Valley and in Swat. But they can only be used in daylight and with good visibility. They can't be used at night.

So we have not come to a final decision on how to proceed with this and I know your body is looking at it very carefully. Right now, we have approved the mid life upgrades so they will be able to convert planes to counter insurgency use.

REP. ACKERMAN: What could you tell us in this open session about the ISI and their double game strategy as some people have called it, in cooperating with terrorist elements? I know it's not the whole ISI but possibly just corrupt elements or individuals within it?

MR. HOLBROOKE: Ever since I began working on this difficult issue, I've been well aware of the allegations to which you refer, and we have looked into them very carefully in the first 100 days of this administration. I have had lengthy talks with the director of ISI, General Pasha who is in Washington today and who I hope will get a chance to meet with some of you. General Pasha wishes to state and would tell you if he were here that ISI does not do these things anymore. But he does not deny nor does anyone else that in the old days, ISI and the American intelligence services worked together to set up some of the organizations which have now turned against the United States. And there may be some serious legacy issues.

It concerns me greatly and we need to put the most heavy possible pressure on our friends in Pakistan to join us in the fight against the Taliban and its allies. We cannot succeed in Afghanistan without Pakistan's support and involvement, and that means working with the Army and the intelligence services in that regard.

REP. ACKERMAN: Inasmuch as you've brought up putting pressure on our friends, how much pressure should we put on them to give us access to AQ Khan?

MR. HOLBROOKE: I consider --

REP. ACKERMAN: Mr. Chairman, could we just ask those people passing those signs around to put them down?

REP. BERMAN: Yeah.

REP. ACKERMAN: It's distracting.

REP. BERMAN: Will the gentleman please put down his sign? That is inappropriate in the committee hearing room.

Would the gentleman like to leave the room? Otherwise, all remain quiet.

Mr. Ackerman.

REP. ACKERMAN: Yes. Thank you, Mr. Chairman.

If the Ambassador would continue.

MR. HOLBROOKE: A.Q. Khan -- I find it hard to understand and I said publicly as a private citizen I found it inexplicable that A.Q. Khan was not immediately made available to the United States. We had no access. And I just don't understand it, quite frankly, given the immense amount of damage he --

REP. ACKERMAN: That was history with the previous --

MR. HOLBROOKE: I know. I understand.

REP. ACKERMAN: What do we do now? He's still there. He still knows what he knows and we still don't know what we don't know.

MR. HOLBROOKE: I have raised it with the Pakistani government. Their response is, you know, this happened under the previous government.

REP. ACKERMAN: Yeah. But the guy still has the ability to talk and give us a sense --

MR. HOLBROOKE: I quite understand, Congressman. I share your --

REP. ACKERMAN: If it's a good idea, should we make those F-16s conditional on talking to him to find out to what extent he might have given technology or materiel to terrorist organizations or failed states or what have you?

MR. HOLBROOKE: I do not think that linkage will help either half of the equation. But I certainly share your concern. I raised it on my first trip there. I've raised it publicly. I will continue raise it.

But I just think that the linkage would work against both issues, but I understand the importance of it. I share your view.

REP. ACKERMAN: Does the civilian government of Pakistan have control over the military?

MR. HOLBROOKE: The military in Pakistan has a long tradition of serving within the government, but having a semi -- sort of its own role. There are other countries like this.

REP. ACKERMAN: But the government still has a strong tradition of being overthrown by the military.

MR. HOLBROOKE: Well, that's another matter.

We are strongly opposed to any such event, Congressman Ackerman. We have made that unambiguous and clear to all parties publicly and privately. The chairman of our Joint Chiefs of Staff, Admiral Mike Mullen, is in constant contact with his Pakistani counterparts on this issue and we think this would be a terrible event.

Over half of Pakistan's history, since independence, they have had military rule.

REP. BERMAN: The time of the gentleman has expired.

And the gentleman from California, Mr. Rohrabacher, is recognized.

REP. DANA ROHRABACHER (R-CA): Thank you, Mr. Chairman.

Mr. Ambassador, I wish you well and I'm very pleased that you were selected and have gone about this job -- this incredible task you have.

And just as pointed as my questions will be, do not think that I am not rooting for you to succeed in your job.

MR. HOLBROOKE: Thank you.

REP. ROHRABACHER: First of all, let me note that I do agree with the ranking -- or excuse me -- with the chairman of the subcommittee. I would suggest that it's time for us to get real with Pakistan. And to the degree that we have -- over my career -- we have bent over backwards historically for this last 30 years to sort of not to come to grips with real issues and thus, we've let things fester and it has gotten progressively worse.

So it's time for us, really, to lay down a standard and say, what's reality here? And if there are people -- there are leaders in Pakistan who oppose our getting to the real facts concerning A.Q. Khan, then those people are not our friends.

The bottom line is if they -- something of that significance, of that magnitude, if the leaders of Pakistan are not permitting us to have the type of accountability for this individual and what's been done, then frankly, those people are not friends and do not deserve the type of support that we're trying to give them. Just for the record -- if you have a disagreement with that, please go straight ahead.

MR. HOLBROOKE: The issues that you and Congressman Ackerman raised were -- should have been dealt with at the outset.

The decision was made by another group of American officials not to raise them. A new administration came to office on January 2nd facing a different set of problems. I raised A.Q. Khan immediately upon my being in Pakistan and I will continue to raise it.

But the issue that Congressman Ackerman raised, and it's a very important one, is whether we should condition our own strategic interests -- he linked it to the F-16s, but you've made it an even broader issue --

REP. ROHRABACHER: Yes.

MR. HOLBROOKE: -- to this issue.

At this time, there is no evidence that he's actively engaged in these things anymore. It would be enormously valuable to know what he did. The ice has frozen over this issue in a sense. I would love to crack it open.

But Congressman, as we speak -- and as Chairman Berman pointed out at the beginning -- the enemy of our nation, as well as Pakistan, is active in the field not too far from the capital. We need to help Pakistan and we need to weigh the help against the accountability issues and to find the right balance.

REP. ROHRABACHER: I'm running out of time too. And let me just note that Pakistan -- if Pakistan is unwilling to work together with us on something as significant as the nuclear weapons perhaps in the hands of terrorists who might do harm to the United States, well, then they do not deserve our help. Let's make it very clear.

If a nuclear weapon goes off in the United States, and it's because we have not followed through with what this Khan character has been doing with other radical Islamicists, well, then we have not been doing due diligence to our own people.

You were in Vietnam, and at that time -- and you mentioned that -- the support for the Vietnamese battle against us was Russia and China. We are now at war with radical Islam in Pakistan and Afghanistan in particular. Where is -- where are the radical Islamicists who are fighting this war against us getting their financial support to maintain the struggle?

MR. HOLBROOKE: Other elements in other countries have been sending money to the Taliban and al Qaeda.

REP. ROHRABACHER: Does that include Saudi Arabia?

MR. HOLBROOKE: It includes people in Saudi Arabia.

REP. ROHRABACHER: Okay.

MR. HOLBROOKE: I don't have any evidence it includes the government, but certainly money is flowing into what you might call the bad guys from the Gulf, from Pakistan and from other places in the world under the hawala system, under hand-carried money.

We do not have a program to close that down now. We are working on it actively. Our most senior officials have a task force that is trying to address this and it is very high on our list.

REP. ROHRABACHER: Good luck on that operation. And also, I hope that we are going to do the drug deal -- the drug challenge as well.

REP. BERMAN: The time of the gentleman has expired.

The gentleman from Florida, Mr. Wexler, is recognized for five minutes.

REP. ROBERT WEXLER (D-FL): Thank you, Mr. Chairman.

Ambassador, we welcome you here as well and are routing very much for you also.

Recently, Deputy Secretary Lew and Deputy Secretary Steinberg came before our committee and presented the administration's new plans for Afghanistan.

And if I understand it correctly, in a nutshell, it calls for 17,000 additional troops in southern Afghanistan and additional 4,000 troops on top of that --

MR. HOLBROOKE: Trainers.

REP. WEXLER: Yes.

You very eloquently talk about the interdependence of our Afghanistan and Pakistan policies and the interrelationship between Afghanistan and Pakistan or the lack of interrelationship. Could you share with us what the anticipated repercussion -- the anticipated goal of the additional troops in Afghanistan will be with respect to Pakistan?

And can you also share with us, in terms of al Qaeda's two senior leaders -- bin Laden and Zawahiri -- what role do we believe them to be playing, if we know terms of the current circumstances in Pakistan?

And finally, what role if any is Iran playing and is there a potential for cooperation, possibly, with respect to Iran in terms of resolving the crisis in Pakistan?

MR. HOLBROOKE: On your first question, Congressman Wexler, I believe the troops will make an enormous difference. They are going into a difficult area. They are well prepared for it and well led. I know the commanders. They will displace the Taliban as long as they're there. The real test is can they transfer that responsibility to local security forces over time?

As they progress, I think we can expect the Taliban -- elements of the Taliban, some will fade back into the villages, like all guerillas do, and others will go east, into Pakistan, towards the Baluchistan area, and that is an issue that has to be addressed.

On your second point, on Osama bin Laden, you wanted to know what their role was vis-a-vis the Taliban, or?

REP. WEXLER: Vis-a-vis certain -- the circumstances in Pakistan today, is it our understanding, do we have any information in terms of what role they are playing?

MR. HOLBROOKE: In Afghanistan?

REP. WEXLER: No, in terms of what's happening in Pakistan.

MR. HOLBROOKE: I'm sorry, I missed -- I misunderstood.

In regard to al-Qaeda, I think it's very well described in an article in this morning's New York Times, where a Taliban spokesman said, "We do the local war against the Americans. Al-Qaeda does the global war."

And finally, on your question about Iran -- a very interesting point, there have been two major conferences in the last month, March 31st in the Hague on Afghanistan; March 17 -- April 17th in Tokyo on Pakistan. The latter was a pledging conference.

The Iranians attended both in the Hague at the vice-foreign minister level; and in Tokyo, on Pakistan, at the foreign-minister level. And in Tokyo they pledged \$330 million to the reconstruction effort for Pakistan. Quite an interesting thing to do. They could have done bilaterally. They could have done it in some other method. And the speech that the foreign minister gave was one in which he outlined policy goals that were similar to ours.

Now, we have vast and important differences with Iran on nuclear weapons, Hamas, Hezbollah, Israel, and many other critical issues, but here is one area where there seems to be a strategic similarity. They don't want the Taliban -- whom they hate, to succeed. They have vested interests on their Eastern border -- Herat is a city with very old historic cultural links to Iran. The drug flow into Iran has caused a massive drug addiction problem.

And so it looks to me like -- for reasons that don't make them nice guys, but just are facts -- they're looking at this area as an area where instability would be adverse to them.

REP. WEXLER: Thank you very much.

REP. BERMAN: The time of the gentleman is expired.

The gentleman from California, Mr. Royce, is recognized for five minutes.

REP. ED ROYCE (R-CA): Thank you, Mr. Chairman.

And, welcome, Ambassador Holbrooke. I joined Chairman Berman on his delegation to India and Pakistan, and I had an opportunity there to talk to General Kayani about the insurgency that's occurring and building in the Swat Valley -- the tentacles that are going out from Swat.

One of the quick observations I'd make is that Abdul Aziz was released -- this was the individual from the Red Mosque who had led so many young suicide bombers to commit attacks in the Punjab and in the capital, and he was out publicly preaching jihad and "overthrow the government," because supreme court justice Chaudhry had released him.

And I guess, you know, as we look at situation of the graduates coming out of the madrassas, The New York Times said yesterday two- thirds of the suicide bombers in Punjab have attended those schools. My question would be, is there the will in Pakistan to put in place a curriculum that isn't hostile? And is there the will to defeat the insurgency in Swat?

On the radio fronts, you've raised the point Ambassador that, like with Rwandan hate radio, we have the Taliban radio -- 150 illegal radio stations. I'd ask, on the jamming equipment, you know, what is the status? I know you've been working to try to get that jamming assistance so that the Pakistani government --

MR. HOLBROOKE: Big issue for us.

REP. ROYCE: A couple other questions I'd just leave you with.

One, you'd mentioned trade. And I want to encourage you on that front because I think giving Pakistan greater market access could do more good than aid; that, frankly, we have a little bit limited capacity to implement. So, you know, if it's a real trade, and real engagement -- you might have to take leadership on this, I think the Van Hollen approach is kind of unrealistic -- but that might help civil society there.

The last point I'd like to ask you about is on Afghan contracting, because that process, in the country, is really a mess. There's quite a bit of blow-back. Corruption is rampant there.

And the resentment that that creates among Afghans is a problem. You know, I think this is compounded when a foreign firm -- I'll take one example, a Turkish firm, brings in Turkish labor, doesn't hire Afghani labor. That does not build Afghani capacity.

So, it's very hard for American firms, of course, to compete in this corrupt environment. And I think, from community leaders here in the Afghan community, that many engineers in the Afghan community who would like to go back, get engaged, hire Afghans, obviously, in order to build capacity there. And I think there's something you could directly do on that front which would help turn that around.

But, if I could ask your responses on some of those questions.

MR. HOLBROOKE: A very limited time, a lot of questions. Let me just take the --

REP. BERMAN: Two minutes and 20 seconds.

(Laughter.)

MR. HOLBROOKE: -- 16 seconds, Mr. Chairman -- the Afghan contracting issue, I agree fully with you.

But, let's not limit it to competition with Turks. We've got a lot to answer for here ourselves. You know that only about 10 percent of American assistance in Afghanistan goes through the government, so we -- I want to increase that to at least 40 or 50 percent, because we're trying to build up Afghan capacity and we're undermining it by that process. And this is one of the things we discovered, as we did our due diligence, of what we inherited.

I'd like to, however, use the remaining one minute and 36 seconds to ask you about the ROZs. I like Van Hollen's legislation. I publicly supported it. And I know the differences between the Senate and the House versions, but it is a very important idea. Congresswoman Ros-Lehtinen talked about it in her opening remarks. I share her comments. Perhaps I could just get a sense of why you disagreed with it?

REP. ROYCE: I think that requiring American fabric in this -- you know, you and I worked on the African Growth and Opportunity Act to try to --

MR. HOLBROOKE: I remember.

REP. ROYCE: -- create economic growth. We double-traded between Africa and the United States. In my view, attempting to micromanage this with African -- with American fabric, as I've made the observation, we're going to have limited ability to have an impact with the aid that we do give. But, in terms of trade, we are going to have a capacity to build civil society there, create jobs. And if we do that in tandem with education -- and getting people out of the madrassas and into public education, which was once the case until the government made the decision to put all the money into armaments -- then I think we're confronting some of the problems, long-term, that might turn things around.

MR. HOLBROOKE: I understand. As long as we agree that the general concept is correct, that's what I wanted to understand, because I will -- it's up to you to work out the details. We want some legislation. It's really of high symbolic importance.

REP. ROYCE: Ambassador, is there the will in the Swat Valley for the government to go in and get control (of the situation ?)?

MR. HOLBROOKE: The government went back in yesterday, and this morning they have -- the deal broke down. President Zardari had always predicted this would happen. The first thing he said to me last night was, "I told you this deal wasn't going to work."

Remember, Zardari had opposed it, and he was forced to agree to it. So, he said -- his answer to your question is, the army is going back in as we speak.

REP. ROYCE: Thank you, Ambassador.

REP. BERMAN: The time of the gentleman is expired.

The gentleman from Virginia, Mr. Connolly, is recognized for five minutes.

REP. GERALD CONNOLLY (D-VA): Thank you, Mr. Chairman.

And, welcome, Ambassador Holbrooke. It's good to see you again.

It's my understanding that over the last seven years we've provided about \$12 billion in aid to Pakistan for military equipment and military training and resources. And yet Pakistani army chief of staff, General Parvez Kayani, said his troops do not have the necessary equipment to fight the militants.

Given just the level of our aid, how is that possible? What is going on in Pakistan that they have inadequate resources to fight the militants?

MR. HOLBROOKE: Very simple, Congressman Connolly, the aid went for the wrong sort of assistance -- they didn't get night-vision goggles; they didn't get helicopters. Secondly, their own existing helicopter fleet is very inadequately maintained; and we want to help them with that too. Third, there wasn't a sufficient effort made to encourage a reconfiguration of the army for counterinsurgency. Fourth, events between India and Pakistan always kept a larger number of troops in the east than in the west.

You're now addressing the core point which any military analyst would say has to be fixed, otherwise you end up on a "whack-a-mole" situation -- where you can fight them in Bajaur and they'll appear in Swat; you can fight them in Swat and they'll be in Waziristan. There are not adequate numbers of troops, in my view, in the west. I think that my colleague, General Petraeus, would say exactly the same thing.

REP. CONNOLLY: Do we have an understanding, Mr. Ambassador, or growing understanding with the Pakistani government that that needs to be corrected?

MR. HOLBROOKE: There's no question, Congressman Connolly, that recent events have increased the readiness of both sides to address that problem. Whether it's sufficient or not will be determined partly in the next few days.

General Kayani, however, is not here. He is back in the country, where he should be, directing these military offensives; but other senior military officials are here. And Admiral Mullen is practically commuting to Pakistan. I'll be going back next week. Your own chairman was just there. I think every discussion we ever have, this is sort of like the number one issue.

REP. CONNOLLY: Because it just seems to me if we're going to have confidence in providing more aid to Pakistan in this hour of need, we have to have some assurances it's not just going to go to further the build-up, and reinforce the capacity, vis-a-vis the perceived threat from India.

MR. HOLBROOKE: Well, I agree with that, and I think that's -- that can be shaped by the nature of the aid.

REP. CONNOLLY: Let me ask you also, Mr. Ambassador -- since President Zardari is here in town, and I know you're meeting with him, looking at some events in Pakistan it's a little unclear to us, I think, sort of, who's responsible for what, but certainly --

MR. HOLBROOKE: A little -- (inaudible) --

REP. CONNOLLY: -- some decisions have been made by the Pakistani government. These aren't things that were done to them, they are decisions that they made. There was a decision to release the imam of the Red Mosque, Abdul Aziz, who then went on television and talked about the need for national Shari'a. Similarly, an imam from Swat was given air time on television saying the same thing.

The deal with Swat "passeth understanding" in terms of, did not the Pakistani government understand what a potential threat that would pose to their security and to our bilateral relationship?

What's your sense of the Pakistani understanding of those, or at least the reactions to those events? And is there some reassessment going on within the Pakistani government about perhaps the wisdom of making such agreements?

MR. HOLBROOKE: Well, there's no way I'm going to defend the release of the Red Mosque leader, but it was not done by the government. It was done by the legislature -- excuse me -- the judiciary. And Pakistan has an independent judiciary, and that was, in fact, the cause of the great political struggle against Musharraf and the considerable political disagreement in mid-March between the two leading political figures in the country. So I share your views. I share your concern.

On the radio stations, I will repeat what I said earlier to Congressman Rohrabacher and Congressman Royce. It is inexplicable to me that we didn't have a program to deal with this to suppress these illegal -- you know, these are low-frequency FM stations on the backs of motorcycles and pickup trucks wandering around Swat with no counterprogramming. We should be suppressing this and we should be following up with the proper messages.

It's a little bit like Rwanda, Mr. Chairman. They're announcing who they're going to behead and they're terrorizing people. And the bills that are before you include funds to deal with this problem. It's one of the reasons it's so important.

REP. CONNOLLY: My time is up. I want to thank you for joining us this morning.

MR. HOLBROOKE: Thank you.

REP. BERMAN: The time of the gentleman has expired.

The gentleman from Texas, Mr. Paul.

REP. RON PAUL (R-TX): Thank you, Mr. Chairman.

Welcome, Mr. Ambassador.

I have a couple of concerns I want to express. The main concern I have is I was hoping to see maybe a change in our foreign policy from the last administration, but, of course, we see just more of the same -- more nation-building, more policing of the world, more involvement. And it just seems like we never learn from our past mistakes. We don't learn from what kind of trouble the Soviets got into, and yet we continue to do the same thing.

And even in your last statement, it's a grandiose goal. We want to work for a vibrant, modern democracy. Wow, what a dream. But think of how we're doing this. I mean, we label -- everybody that oppose what we're doing, we call them Taliban. And all of a sudden there are many, many thousands of Pashtuns that are right smack in the middle, getting killed by our bombs, and then we wonder why they object to our policies over there.

This to me means that we're into this for the long haul. It's going to cost a lot of money and it's going to cost a lot of lives. And if the members of Congress had ever realized what Iraq would end up costing us in the number of deaths, in the number of dollars, now trillion dollars, they would have been a little more hesitant. They admit that even now -- "Well, maybe we shouldn't have." But who knows what this is going to end up costing in terms of lives? And the odds of it working are so slim. This is what my great concern is.

You know, in 1999 Sharif was the prime minister, and we were supportive of a military coup. And Musharraf comes in and we support him. So now it's said that we have relationships with Sharif, which everybody knows exactly what that means. It means that we're involved in their elections. That's the way that we've done it for so many years.

But, you know, the Pakistani papers report it as "U.S. taps Sharif to be the next Pakistani prime minister." Now, whether or not we literally can do that -- I think we can have a lot of influence -- that's what they believe in. How do you win the hearts and minds of these people if we're seen as invaders and occupiers? And here we are, just doing nothing more than expanding our role, you know, in Pakistan and in Afghanistan. I don't see any end to it.

But my particular question is this. It has to do with Pashtuns that have been killed by our bombs. I mean, we're bombing a sovereign country. Where do we get the authority to do that? Did the Pakistani government give us written permission? Did the Congress give us written permission to expand the war and start bombing in Pakistan?

Why do we as a Congress and as a people and as our representatives within the executive branch just so casually and carelessly expand the war and say, "Well, today we have to do this; we'll worry about tomorrow." What about our national debt? We have \$1.8 billion (sic/means trillion) debt facing us. We think of \$3.5 billion which will turn out to be tens of billions of dollars after this.

So I'd like to know where you stand on this, the innocent killing of Pashtuns. Are they all Taliban, or are there some innocent people being killed?

MR. HOLBROOKE: Congressman Paul, I did not say exactly what you imputed to me, but I have thought a long time about the issues you raise. And you mentioned Iraq. Afghanistan-Pakistan is not Iraq.

The reason we are in this area, notwithstanding its immense difficulties, is because the people in this area attacked our country on September 11th, 2001, and have stated flatly they intend to do it again. They've done all the other things we mentioned earlier.

And therefore, it is not Iraq and it's not Vietnam, despite the fact that many people say it is. It's about defending our country. It is not easy; I agree with you. It's not cheap. And having seen wars on three continents, having been shot at for my country, I sure don't feel comfortable in a situation where you ask brave young American men and women to risk their lives and sometimes pay the ultimate sacrifice.

However, the president of the United States reviewed everything in regard to this and came to the conclusion not that it's the same policy. We spent the whole meeting today talking about differences, and there are dozens of others. But it's not the same policy, but our goal has to be to defeat al Qaeda. We cannot let them take over an even larger terrain, move into other parts of the world, and then plan what they're planning, in my view.

REP. BERMAN: The time of the gentleman has expired.

And the gentlelady from California, Ms. Woolsey, is recognized for five minutes.

REP. LYNN WOOLSEY (D-CA): Thank you, Mr. Chairman.

And thank you, Mr. Ambassador.

President Obama recently expressed grave concern about the situation in Pakistan, offering that the very fragile civilian government does not appear to have the capacity to deliver basic services to the Pakistani people. He further stated that this lack of capacity makes it difficult for the government to gain the support and loyalty of its people.

So I'm asking you today, to what extent do you agree with this assessment? And what new actions by the U.S. government might help? And where is the place for smart power, investing in humanitarian needs and infrastructure, economy, food, so that we can shore up the people? And I believe we could do that, and at the same time -- you can correct me if you don't think this is appropriate -- hold the government accountable.

MR. HOLBROOKE: Thank you very much for the question.

Smart power -- which, by the way, is a phrase originated by a person who used to work for me at the U.N., Suzanne Nossel -- is exactly what this bill is trying to do. It's something we should have done a long time ago. It's using American resources in these areas that go beyond military activities.

But -- and I know this is difficult for some people -- it has to be married up to the use of force and the search for security. And we are using every piece of leverage we have to encourage Pakistan to work with us in Afghanistan and close its own border and deal with its own problems.

REP. WOOLSEY: Well, Mr. Ambassador, if the ratio to smart investment is one to 10, with the 10 being military investment, I don't know how we get where we're going.

MR. HOLBROOKE: I don't think it is one to 10 anymore. It was. And if you look at the figures that this committee authorized and your body appropriated for Pakistan, the ratio over the last 10 years, it's pretty hard to understand. But this bill is one of a number of bills now in the Congress to correct that. And that's why I'm here today, to say that although we have differences with some provisos, we think that this is a major step in the right direction.

REP. WOOLSEY: Well, with Pakistan being a nuclear weapons state, how does that change our interaction? I mean, how complicated does that make the relationship to move to smart power?

MR. HOLBROOKE: I think that, prior to your arrival, we discussed that a bit, and I offered to discuss the issue in more detail with the experts in a private session. But it is of immense concern to anyone in the world who cares about stability when any country starts building up a nuclear arsenal.

It does not change the fact that in the western part of Pakistan are people who attacked the United States on 9/11 and have stated publicly and repeatedly they intend to do so again. And I, for one, take them at their word. And that is why we're here today. Why are we not -- and somebody earlier -- I think it was Congressman Paul -- used the word nation-building. We are not nation-building. Pakistan is a nation. We're helping them strengthen themselves against their enemies.

Another one of your colleagues talked about the madrassas; another example of a missed opportunity.

The madrassas grew up with outside funding from the Gulf and as The New York Times article by Sabrina Tavernise in yesterday's paper, front page, clearly points out -- a brilliant article -- the students there are fodder for suicide bombing missions, and there was no counter-programming. That's what you mean by smart power; that's what the administration I'm proud to be part of means by smart power. That's what this bill addresses.

REP. WOOLSEY: Well, do you see a pathway for Pakistan to become a partner for nonproliferation other than just telling them they can't use what they have unless they work with us and we work with them and the rest of the world towards nonproliferation?

MR. HOLBROOKE: I don't know. It's a very good question. We are wrestling with that and its related issues now. It's a very, very fair and good question.

REP. WOOLSEY: Thank you very much, Mr. Ambassador.

MR. HOLBROOKE: I want to be clear, Mr. Chairman, what I don't know is the precise answer to can they be a partner in nonproliferation. It's not that we don't know anything about it.

REP. BERMAN: I understand. And the record should so reflect.

The gentleman from Texas, Mr. McCaul, is recognized for five minutes.

REP. MICHAEL McCaul (R-TX): I thank the chairman and I thank you, Ambassador, for being here and your service. I commend you on your testimony that this is the number one issue. I think for too long this area has been left unfettered, and I believe the tribal areas have grown; the terrorist threat has grown from out of that region. And I worked counterterrorism in the Justice Department -- it's pretty clear this is where the 9/11 threat emanates from. When you look at Ramzi Yousef, World Trade Center, his uncle Khalid Shaikh Mohammed, the London arrest. This is sort of the epicenter in my view, if you will, and I'm very pleased to hear the focus that is being given in this area.

A couple of quick questions. One, last time I was there I visited with then-President Musharraf about education. The madrassas, he had a policy to reform education and to reform madrassas. That didn't happen. Do you see any progress for that under the new administration, and particularly for women to be educated?

And then also, if I could just throw out another issue and let you answer both of these questions; the whole idea of conditioning foreign aide is we're looking at providing about 6.7 billion in military aid to Pakistan. It seems to me that we ought to be looking at ways of working with the administration to condition that upon certain security agreements, and also access to A.Q. Khan, the master proliferator who we know proliferated to Iran, Syria, North Korea, and yet we've never had the opportunity to sit down with him and get information from him.

MR. HOLBROOKE: You know, on January 12th, 2002, if my memory is correct, President Musharraf gave a widely-hailed speech in which he aligned himself with the United States in the war on terror and said he would restore democracy and he would close down the madrassas preaching violence. He did none of the above, and the United States did almost nothing to insist on it.

And so we fast forward to 2009. And we go back to the congresswoman's point about smart power, and I urge you to read the article in yesterday's New York Times front page, because it will astonish you that so little was done. But here we are; we have to start again. On the issue of women, I think everyone in this room knows that for Secretary of State Hillary Clinton and for President Obama this is a huge issue, and we will do everything we can to promote it in both Afghanistan and Pakistan. It is very important.

At the same time, I need to be very clear going back to earlier comments -- while women's rights are very important, we should not be in a position of asking young American men and women to risk their lives on behalf of issues that are not directly related to our national security. Those of us who served in Indochina and elsewhere; those of us who've seen the combat understand how that decision should be reserved. And I cannot tell you how important the women's issue is, but I don't want to let -- I've been out there, I've talked to the troops in the western deserts west of Kandahar.

I've seen them there; the unit I spent time with had taken three casualties and never seen the enemy. And if they say why are they fighting? You can't say you're fighting so that women have equal rights. If you do that we're going to fight in a lot of other countries.

REP. MCCAUL: I certainly agree --

MR. HOLBROOKE: This is a very nuanced issue; I don't want anyone to think we're diminishing the importance of it or reduce its importance in your legislation. But I don't want people to think, as they did a few years ago, that that's why we're putting troops at risk in Afghanistan. We're there because the people in the western part of the country, some people there are saying publicly that they intend to attack the U.S. again. And we cannot leave them untouched and unchallenged.

REP. MCCAUL: And I agree with that assessment. The issue on conditioning the foreign aid, tying it to security.

MR. HOLBROOKE: Say again, sir?

REP. MCCAUL: We have \$6.7 billion in military aid; it seems to me we ought to condition that aid upon certain security arrangements and agreements, and then A.Q. Khan.

MR. HOLBROOKE: Well, both those issues we addressed at length earlier, but let me just say that it is understandable you want some degree of conditionality -- as the chairman said, accountability -- on some of the things in your legislation. I hope that the adjusted -- the meeting that the chairman is going to have with President Sadari (ph) later today is very important in that regard. Our meetings don't begin until tomorrow morning.

Secretary Clinton talked about finding the sweet spot between the legitimate and understandable desire and the need to help them quickly. But I do want to underscore that however the final legislation turns out, the goals and motives of the -- I prefer the chairman's phrase -- accountability, Section 206 of the legislation, the goals themselves are almost -- are very similar to our own goals, but the methodology is something I would hope we would have a chance to discuss further as you move forward and this afternoon's meeting will help us do that.

REP. MCCAUL: Thank you.

REP. BERMAN: The time of the gentleman has expired.

The gentlelady from Texas, Ms. Sheila Jackson-Lee, recognized for five minutes.

REP. SHEILA JACKSON LEE (D-TX): Thank you very much, Mr. Chairman, and let me add my appreciation -- I was going to begin, Ambassador Holbrooke, by saying I didn't know where to start, but I can start by saluting you as a great public servant and one who consistently has accepted challenges without regard to your personal security. And frankly I believe we owe you a debt of gratitude and applause. You are now tied inextricably to President Obama and Secretary of State Clinton, and I think that is a dynamic and a very productive team, no-nonsense but balanced. And I believe that is extremely important.

Let me just quote the former Prime Minister Benazir Bhutto, who I had a chance to speak to before her death, but comments that she made -- the next few months are critical to Afghanistan's future direction as a Democratic state, committing to promoting peace, fighting terrorism and working for social justice. Democracy is to peace and to undermining the forces of terrorism.

She made it clear almost without the ability to see that challenge through; she almost was prophetic, because obviously she lost her life and in the months afterwards we are facing these challenges. But I want to try to get to a core set of issues, and wondering how we can move forward. For example, you will continuously hear my colleagues mention A.Q. Khan and I respect that, but I do think as part of our negotiations we have to probe Pakistan even though it is not connected.

And I believe it should not -- as we move forward in your position as an envoy -- to convince us that Dr. Khan is contained. Those of us who have traveled to Pakistan have heard that stated repeatedly, and as I joined my chairman for a very, very instructive CODEL, I believe it is also key that we emphasize the unifying of the government. We had a chance to meet opposition leaders as well as government leaders and I think it's crucial that we focus on the unity of the Pakistan government. It speaks to Benazir Bhutto's comments of moving forward and promoting peace. We cannot do it in a separate government.

And I appreciate you commenting on that but let me ask my further question here. I am told and I am reading an article that should come out on May 18th in Newsweek that in fact the military has made some accomplishments through Operation (Sure Deal?) and I'm wondering whether you're aware of that and whether or not those accomplishments can be commented on. They have utilized friendly Taliban; they are working with tribesman. They are the ones doing their work similar to the Iraq, Sons of Iraq, that we did in Iraq, and the United States military did with them.

Lastly, I think we should read into the record what the New York Times said. Pakistan's poorest families have turned to madrassas or Islamic schools that feed and house the children. So Mr. Ambassador, if you would, comment on can we not bring some good news out of Pakistan so that Americans know that the people of Pakistan want peace, want security, that these terrorist acts have gone against Pakistan institutions such as the Marriott was owned by a Pakistani, and that we have got to push the government even as the moneys are coming to put in place alternative schools. Not even to wait until our money flows, because obviously they have some good dollars from the DONA Conference that you were so keen in supporting. And I yield to you, and thank you for your service.

MR. HOLBROOKE: Let me start by thanking you for co-chairing the Pakistan Caucus and saying that Secretary Clinton is very grateful that you are going to assist us in helping mobilize more of the resources of the Pakistani-American community. Your colleague, Dan Burton, is also participating and this is of great personal interest to the secretary of state and the president.

REP. JACKSON LEE: And it's a great opportunity. The people of America who are Pakistani are very interested in being part of (it?).

MR. HOLBROOKE: You will recall, Mr. Chairman, that when Secretary Clinton testified she referred frequently to the Pakistani Diaspora, and that has not been done by previous secretaries of state and she is

very serious about it, and Congresswoman Sheila Jackson Lee has been very, very supportive of this effort and I would like to just record that.

Now, in regard to the madrassas you're quoting the article I've already referred to twice and I -- and I do commend it. In regard to the operation you mentioned, I must confess that either I didn't hear its name or I'm not aware of what -- what we're referring to. So I apologize.

REP. JACKSON LEE: It's Operation Shirdil, S-H-I-R-D-I-L, and it's in the -- it's in the Bajaur area and allegedly there have been some activities by the Pakistani military where they have embraced the tribesmen who are working to fight against al Qaeda and the Taliban.

MR. HOLBROOKE: Bajaur is where the -- that is going on and -- and we don't have enough reports to know how well it's doing.

REP. BERMAN: Ambassador, the -- the time of the gentle lady has expired. Perhaps, you know, through -- through writing there's a way to follow up on a couple of the questions that were not responded to.

REP. JACKSON LEE: Thank you, Mr. Chairman.

REP. BERMAN: I am told the ambassador, Holbrooke, and I -- I wasn't aware of this. He has to leave at 2:00 o'clock. Maybe we can squeeze in three more people and --

MR. HOLBROOKE: Mr. Chairman, this came up while we were here. The White House asked if I could get right down. I apologize.

REP. BERMAN: Okay. So we -- we will have no more -- we will have no time for more than three at the most questioners. Mr. Burton?

REP. DAN BURTON (R-IN): Well, Mr. Chairman, what I'll do is just try to put all my questions together so that we can save some time. There's a great deal of concern, and I don't want to be redundant but Mr. Ackerman raised the issue about the intelligence operation in Pakistan and how there may be some agents that aren't quite on our side and maybe working with the Taliban as -- and may be double agents. I presume our intelligence agency, the CIA, is working with them in -- to some degree and I'd like to know, you know, what your assessment of the situation is as far as whether or not we've got some potential enemies in their intelligence operation.

MR. HOLBROOKE: I don't --

REP. BURTON: Well --

MR. HOLBROOKE: With great respect, Mr. -- Congressman, I -- I don't think it would serve the national interest to pursue this line in an open session.

REP. BURTON: Well, and I'm -- I would like to attend a closed session where we can get this information. The other thing I'd like to ask is we've skirted around what we would do in the event that the Taliban did take over and move close to these nuclear sites in Pakistan, and I know you have to do this in a closed session but I'd like to -- I'd like to have you explain to the members of the Congress how we're going to protect those and what -- what cooperation you can expect from the military in Pakistan even if the Taliban were to take over the civil government.

MR. HOLBROOKE: You have a great talent, Congressman, for asking questions that are very sensitive, very tough, and probably ought to be reserved. We already discussed this issue.

REP. BURTON: Okay.

MR. HOLBROOKE: I think it might be worth a private session if -- (inaudible).

REP. BURTON: Yes. And I have one more question so I won't (bottle ?) up any more time. We talked about these madrassas, and the Saudis and the Gulf States have been not only helping build madrassas and create them in Pakistan but they've done it in other parts of the world -- in Canada. I believe some of it's even been done here in the United States.

They have a vested interest in making sure that Iran does not get nuclear weapons and yet when you start funding operations where terrorists can evolve out of them you end up maybe getting bitten on the hand yourself, and I don't know if the Saudis have been made aware of that or not but can you explain real quickly how you're going to stop the money getting into Pakistan and not elsewhere so that these madrassas are shut down or slowed down?

MR. HOLBROOKE: Congressman Burton, you're three for three on questions I think we ought to discuss in private. This is a compliment. This is -- these are tough ones and these are the front edge of what we're working on. I already addressed that earlier. And I do want to also thank you, as I did Sheila Jackson Lee, for your leadership with the Pakistan-American community and for your readiness to participate in the important meeting coming up this weekend.

REP. BURTON: Thank you, Mr. Chairman, and I hope we'll have a classified meeting (inaudible).

REP. JACKSON LEE: Would you yield -- would you yield, Mr. Burton?

REP. BURTON: I -- well, yes.

REP. BERMAN: You are very limited on time.

REP. JACKSON LEE: I won't ask a question. I just want to make sure that we all can join in that classified briefing.

REP. BURTON: Thank you.

MR. HOLBROOKE: Oh, yes. I would not convene a classified briefing just for Mr. Burton. (Laughter.) But I would give him the first three questions. (Laughter.) Absolutely.

REP. BERMAN: We will follow that up and now the gentleman from Georgia, Mr. Scott, recognized for five minutes.

REP. DAVID SCOTT (D-GA): Thank you very much, Ambassador Holbrooke. Welcome. I want to just make a point because I think you did refer to the fact of the nuclear issue -- that we would discuss (some of that ?) in private session. But I want to make this statement in public in reference to that because regardless of all the other issues that come up paramount on the minds and the hearts of not just the American people but the people across the world is that this situation in Pakistan is unique because Pakistan has these nuclear weapons.

MR. HOLBROOKE: And -- (inaudible).

REP. SCOTT: Now, we have before us --

MR. HOLBROOKE: Nuclear weapons in the center and al Qaeda in the west.

REP. SCOTT: Absolutely, and I want to get to both of those but -- but I do want to say that we're giving them or approaching to give them close to \$9 billion. Our aid is coming. It's very important. It's somewhat of a fragile situation. We've got this nuclear issue. It might not be improper to have some consideration of requirements on this aid tied to in a capacity with the United States to have some joint cooperation with making sure that these nuclear weapons are secured.

And I don't want you to have to respond to that. I just want you to know that there are some very strong feelings that we make sure, and I think that what the -- what the world population is looking to not

for Pakistan to answer that question that their nuclear weapons are secure from that but there must be a much more reliable source, and none more reliable than that that the United States itself to say, yes, world, we have these in control -- the nuclear capacity of Pakistan is under control.

That will give the world a great sigh of relief and I believe judging from the information out there we are not there yet and maybe we can make that a condition of our efforts. Going back to al Qaeda, what is the end game now? We are very fearful that we could be in for a long slog here -- very reminiscent of Vietnam. One of the mistakes we have is that we don't have an exit strategy. We don't have an end strategy. There is a (cluster ?). There is a disagreement on what that mission is.

Could you very quickly state to us on -- in your just succinct words? The reason I say that is because there is considerable thought within the Congress that we have just a year here. We have a year here to see what it is we could do over there in this administration. So I guess what I'm looking at is within that year can we clearly define a mission now?

Is that simply al Qaeda? Is it getting Pakistan stable in the region? And what is our end game and our exit strategy?

MR. HOLBROOKE: Mr. Scott, we can define the objective very clearly and President Obama did that very clearly on -- in his major speech and many other times. It's to destroy, disrupt, and dismantle al Qaeda, which pose a threat to us. But to give a precise timetable is to put in motion the seeds of your own failure.

You say one year and they'll say, great, we'll wait you out. This is a difficult struggle. It will take an unspecifiable amount of time. I fully understand the desire of the American people and the Congress for a time limit and -- and an exit strategy. But there's a difference between an exit strategy and an exit timetable, and we have defined our strategy but we certainly can't put a time on it.

REP. SCOTT: And in terms of al Qaeda -- in terms of al Qaeda and in terms of the Taliban -- in terms of the fact that is it an accurate statement from the reports that they are within 60 miles of the capital city?

MR. HOLBROOKE: Not quite 60 but very close when they took Buner. But they've been driven out of Buner and the Pakistani army is now trying to push them back in Swat. So it's more like 100. But the difference between 60 and 100 isn't that significant.

The importance is who has the momentum. Until yesterday, the momentum did not appear to be in the right hands. The army has now begun major offensives, which Congresswoman Sheila Jackson Lee alluded to, and -- and I will -- and we will have to wait and see how it goes.

I hope you will address these questions to President Zardari.

REP. SCOTT: We certainly will.

And finally, I have eight seconds -- well, I have no seconds.

Thank you very much, Mr. Chairman.

REP. BERMAN: Could we have one more?

MR. HOLBROOKE: Of course.

REP. BERMAN: Mr. Costa of California for five minutes.

REP. JIM COSTA (D-CA): Thank you very much, Mr. Chairman.

And thank you, Ambassador.

I appreciate your good work. You've drawn a very difficult assignment in your portfolio. I'm a very pragmatic realist, as I suspect you are, and you deal with the cards you've dealt and I know that's what you're dealing with both in Afghanistan and Pakistan.

I was with the chairman in this last visit to Pakistan, as well as India, and I've been to Afghanistan and Pakistan twice in the last two years.

Afghanistan first: How do we succeed there in which corruption seems to be if not endemic, a way of life? And we've got the problems with the opium trade and nothing we've done so far seemingly has been able to penetrate at the local level, although I know there's been a reset in our policy there.

MR. HOLBROOKE: How do we succeed? Well, we're putting into place a huge array of different plans. This bill is one of them, because this bill significantly restructures the priorities. And I think it's very clear that we're trying to change our strategy.

REP. COSTA: To (ascertain ?) that the money we provide actually gets to the local levels not --

MR. HOLBROOKE: Am I certain? I'm pretty certain that the money in the past did not get -- very much of it got down there. We want to change that.

One point, Mr. Chairman, I didn't make earlier is that I am now personally reviewing all aid projects for both countries. And I've been rejecting a lot of them, precisely on the grounds of Mr. Costas question, because I didn't see that it was getting out there.

Some of the money was dribbled away to contractors in the Washington area or elsewhere, then it was subcontracted in the field, there wasn't sufficient end-use checks. We're restructuring everything.

The other day we rejected a project for support of women's NGOs in Afghanistan, because it was going through contractors. And we said, let's put this money directly in the hands of the ambassador so it can be - for the purpose! Thirty-million dollars. We want to tighten that up.

We want to come back to you in a year and say that accountability in our government has gotten better -- not just the accountability you're interested in with the Pakistanis.

REP. COSTA: I appreciate that, Mr. Ambassador. And there's some local investments in California that have provided monies for construction of hospitals and schools and I'd like to pursue that on a separate line of questioning.

MR. HOLBROOKE: Delighted.

REP. COSTA: Pakistan. Same theme. I read the article that you referenced twice now. Two different kinds of Pakistan, as the article pointed out. A third or 40 percent urban, secular, educated. The other 60 percent-plus rural poor and not much education. And yet, the 60 years that we know of the history of Pakistan as a government, it's been primarily run by the military with intervals of democracy. Through all that time, corruption has run fairly consistent.

What are you milestones in these negotiations with our Pakistan allies? I agree with you, timelines don't make sense, but it seems to me there has to be milestones that they need to reach.

MR. HOLBROOKE: We are working with your committee on these, what you called, milestones. I think my colleagues in the administration like the word "metrics", but we all know what we mean.

I've always had a feeling that if we're succeeding, we're going to know it.

REP. COSTA: And the question hasn't been asked, but it's been inferred to, we hope the current government well and that they are successful. What's our back-up plan if by the end of this year we're dealing with another government in Pakistan?

MR. HOLBROOKE: If we have a back-up plan were going -- of the sort you mean, we're just going to publicly undermine the government.

Asif Ali Zardari is the democratically elected president of the second-largest Muslim country in the world -- the fifth largest country in the world. He's coming to meet you all this afternoon and he should be treated as the leader of a country who needs -- vitally needs our support and whose success is directly related to our most vital national interest.

And to address your question as an American official would be only to undermine that goal.

REP. COSTA: I appreciate that. I understand that.

MR. HOLBROOKE: But I do want to underscore again, this is a country that has had over half its history in military -- we don't want that.

REP. BERMAN: The time of the gentleman has expired.

We have one last person here.

Do you think, as you're bundling up to leave, Mr. Ellison could throw out a question or two to you?

MR. HOLBROOKE: (Off mike.)

REP. KEITH ELLISON (D-MN): I just have one question, Mr. Ambassador.

Like everybody has lauded you, I want to join in that, but I won't waste time doing it, because I know you feel good about the work you've done.

I'd like to see us connect aid to access to nuclear scientists, to redeploying away from India to more on the -- in the more vital areas and a long list of other things we could connect aid to, but how does that make President Zardari look in the eyes of the people who want to defeat him? Do they use it to say, "See, you're just a toy of the West"; and then sort of use that to sort of undermine what motion he could make?

MR. HOLBROOKE: Great question!

President Zardari has often been accused of being too pro-American. And please bear that in mind. He has been -- he's paid a price for being pro-American while some Americans don't appreciate how much he is trying to do the right thing for his country.

And I'm glad you asked that question as a steam-setter for your own meetings with him today.

REP. BERMAN: And the only thing I'd say, because I do think that's a very important question, but we just have spent nine years not conditioning, not holding accountable and what have we gotten for that? And the one thing Musharraf wasn't was a toy for the Americans. But in and of itself, that didn't solve the fundamental question.

Ambassador Holbrooke, I very much appreciate your being here. I know this is an incredibly busy week and an incredibly busy month and an incredibly busy life and you have a huge job ahead of you and no one's better able to do it than you and we thank you for being here.

We are going to have second panel now -- even if it's just for me.

But the second panel I'm going to introduce as they come forward.

And the question is that they have a government.

PANEL II OF A HEARING OF THE HOUSE FOREIGN AFFAIRS COMMITTEE

■ SUBJECT: FROM STRATEGY TO IMPLEMENTATION: THE FUTURE OF THE U.S.-PAKISTAN RELATIONSHIP

■ CHAIRED BY: REP. HOWARD BERMAN (D-CA)

■ WITNESSES: LISA CURTIS, SENIOR RESEARCH FELLOW, ASIAN STUDIES CENTER, THE HERITAGE FOUNDATION; CHRISTINE FAIR, SENIOR POLITICAL SCIENTIST, RAND CORPORATION; DANIEL MARKEY, SENIOR FELLOW FOR INDIA, PAKISTAN, AND SOUTH ASIA, COUNCIL ON FOREIGN RELATIONS

2172 RAYBURN HOUSE OFFICE BUILDING
2:09 P.M. EDT, TUESDAY, MAY 5, 2009

REP. BERMAN: Today we have several noted experts on Pakistan. Lisa Curtis is a senior research fellow at the Heritage Foundation where she focuses on America's economic security and political relationships with South Asia. Before joining Heritage in August 2006, she worked on the Senate Foreign Relations Committee as a professional staff member for three years for then-Chairman Senator Lugar. From 2001 to 2003, she served as a senior advisor in the State Department's South Asia Bureau. She has also worked as an analyst for the Central Intelligence Agency in the late 1990s.

Christine Fair is a senior political scientist with the RAND Corporation. Prior to rejoining RAND she served as a political officer to the U.N. assistance mission in Afghanistan and as a senior research associate in the United States Institute of Peace. Her research focuses upon security competition between India and Pakistan, Pakistan's internal security, the causes of terrorism in South Asia, and U.S. strategic relations with India and Pakistan. She's a member of the International Institute For Strategic Studies, the Council on Foreign Relations and is the managing editor of India Review.

Daniel Markey is the senior fellow for India, Pakistan and South Asia at the Council on Foreign Relations. His areas of specialization include security and governance in South Asia, international conflict, theories of international relations in U.S. foreign policy. From 2003 to 2007, he held a South Asia portfolio on the policy planning staff of the Department of State. Prior to government service, Dr. Markey taught courses in the politics department at Princeton University and served as the executive director of Princeton's research program on international security.

And while our audience is small, it's very interested. So, you know, you could talk to a lot of people who wouldn't care, but you've got a few people who really do.

So Ms. Curtis, why don't you start? And try and summarize your opening statement in about five minutes.

MS. CURTIS: Okay. Chairman Berman, Congressman Burton, thank you very much for inviting me here today to testify on this very important topic. Pakistan is being roiled by a well-armed and well-organized insurgency, pushing for the establishment of strict Islamic law, beginning in the country's Northwest Frontier province, but with the long-term goal of provoking a nation-wide Islamic revolution.

Although the collapse of the Pakistani state may not be imminent as some have recently suggested, the government's surrender of the Swat Valley to pro-Taliban militants was a major victory for the extremists seeking to carve out pockets of influence throughout the country. Islamabad's decision to allow the implementation of a parallel Islamic court system in Malikan division (ph) of the NWFP which includes Swat Valley, demonstrates the weakness of the Pakistan government and military in the face of the militant onslaught. Pakistan military had deployed some 12,000 troops to Swat Valley for 18 months in 2007 and 2008 before surrendering to the militants. This surrender occurred despite the overwhelming vote in favor of the secular political party, Awami National Party, in the February 2008 elections, demonstrating that the people of the region do not support the extremist's agenda, but are merely acquiescing in the absence of support from the government to counter the militants.

Washington has repeatedly warned Pakistani officials about the danger of appeasing the militants through peace deals that confer legitimacy on them and help them consolidate control over ever increasing

parts of the province. Pakistani officials have rejected Washington's concerns, accusing U.S. officials of hyping the threat and/or misreading the local ground situation.

Pakistani officials have also glossed over the fact that the establishment of a parallel Islamic court system will have dire human rights consequences for average Pakistanis, namely women and girls. Events over the last two weeks, however, may have finally awakened some Pakistani officials to the downsides of the Swat peace deal. The leader of the pro-Taliban militants, Sufi Mohammed declared in a recent interview that democracy is not permissible under Shari'a law, revealing the militant's ultimate objective of undermining Pakistan's democratic institutions nationwide.

And just one week after Pakistani president Asif Ali Zardari approved the Swat Valley peace agreement following passage of a parliamentary resolution urging him to do so, the Taliban took over the neighboring district of Buner. The Taliban subsequently agreed to pull out of Buner on April 24th after Pakistan deployed paramilitary troops to the region. That same day, chief of army staff General Kayani sent a warning to the militants that the army would not allow them to impose their way of life on the civil society of Pakistan. The statement was a positive first step in clarifying Pakistani policy toward the militants, but it must now be followed by sustained and consistent action based on a comprehensive civil military plan to counter the militants' objectives.

Pakistani civilian leaders have been too slow to awaken to the threat before them and too willing to sacrifice their constituents to the brutal policies of the Taliban. For Pakistan to fend off the growing extremists influence in the country, civilian leaders need to highlight the brutality of the pro-Taliban militants, demonstrating their forcing a way of life on Pakistani citizens that is alien to their own historical traditions of Islam and aspirations for constitutional democracy.

The struggle is certainly Pakistan's to fight, but the U.S. can support those Pakistanis standing up for the preservation of democratic institutions and promotion of tolerance, pluralism, rule of law and the development of civil society. Both the Pakistan Enduring Assistance and Cooperation Enhancement Act of 2009, the PEACE Act, recently introduced in this chamber, and the Enhanced Partnership with Pakistan Act of 2009 introduced yesterday in the Senate demonstrate the U.S. interest in developing a broad based, long term partnership with Pakistan.

The PEACE Act provides comprehensive details on the shape of future economic aid to Pakistan, focusing on a range of areas including strengthening the parliament, the judicial system and law enforcement sectors. The PEACE Act also addresses the need for strong oversight and accountability in the provision and distribution of this aid, and to ensure that it's not wasted or abused. Both bills also contain language calling for greater accountability with regard to future military assistance to Pakistan. These measures would require Islamabad to permanently break the links between its security services and the Afghan Taliban and other extremists groups.

While some have raised concerns that such conditions will discourage rather than encourage Pakistani cooperation against terrorists, others note that we must begin to develop leverage with our large scale aid programs and ensure that U.S. taxpayer money does not perversely contribute to undermining U.S. objectives in Afghanistan. Ambassador Holbrooke talked about reaching that sweet spot, and I would just point out that the sweet spot would recognize Pakistan genuine security concerns, but also make clear that the U.S. will not tolerate dual policies toward terrorists.

While seeking to stiffen Pakistani resolve against the Taliban, the U.S. must at the same time shore up Pakistani capabilities. To this end, it is appropriate that CENTCOM General Petraeus be given the latitude and flexibility he needs immediately to strengthen Pakistani capabilities to fight insurgents through the proposed Pakistan counterinsurgency capability fund that would allocate 400 million (dollars) in this fiscal year to build the capacity of Pakistan's security forces and assist with humanitarian relief efforts in post combat zones.

While the PCCF for this year has no specific conditions attached to it, the U.S. Congress should find some mechanism to ensure that the PCCF funding for future years will be contingent on whether the 2009 tranche has contributed to strengthening both Pakistan's capability and will to fight terrorism.

REP. BERMAN: I think Ms. Curtis if you could just sort --

MS. CURTIS: Yeah.

REP. BERMAN: -- wind up.

MS. CURTIS: Yes.

REP. BERMAN: -- very good point --

MS. CURTIS: And lastly the U.S. should dedicate diplomatic resources to helping the leaders in Afghanistan, Pakistan and India develop a different security paradigm for the region that allows them to focus on containing dangerous non-state actors, enhancing cooperation of regional integration.

And lastly, while the U.S. should do everything possible to stabilize Pakistan, Washington's best efforts alone will not be sufficient for the task. We need Pakistan's leaders to also stand up and demonstrate they're willing to stand up against Taliban advances in their own country.

Thank you.

REP. BERMAN: Thank you.

Ms. Fair.

MS. FAIR: Thank you Chairman Berman and Congressman Burton and esteemed colleagues for the opportunity to participate in today's hearings on the future of U.S. Pakistan relations. The finding that the U.S. requires a quote, "balanced, integrated country wide strategy that targets assistance throughout Pakistan and does not disproportionately focus on the military or specific area or province" is a very welcomed departure from past policies.

Indeed, there's wide concurrence that perhaps the only path to a stable Pakistan that peace with itself and with its neighbors, is one that is firmly controlled by capable civilians rather than one that is dominated by the military directly or indirectly. I am similarly heartened by the explicit interest in insuring transparency and effective accountability of all U.S. assistance and reimbursements to the country.

While many of the provisions to strengthen the national parliament, the political parties and other civilian institutions, as well as civil society, seem appropriately configured and indeed vital to rehabilitating a civilian controlled Pakistan, I will focus the balance of my remarks upon the areas that concern me most.

First, all of the efforts in this legislation presuppose effective partnering with Pakistanis truly vested in change. Without such collaborators for change, it is doubtful that these proposed efforts will fruitify. Yet in all honesty actual reformers in my view seem few and far between.

Some of the proposed areas of activities such as educational curricular reform will likely be staunchly resisted on nationalist' grounds even if they say yes in the presence of U.S. interlocutors. Pakistanis have consistently expressed considerable concern about U.S. efforts to, quote, "de-Islamize", unquote, Pakistan schools, so rather than dictating programmatic areas of reform, a better approach might be a required consultative approach with Pakistani counterparts to identify areas of reform in a joint plan of neutral resourcing and commitment. Without up front Pakistani commitment and buy in, I'm simply unconvinced that these programs out of this -- (inaudible) -- will actually have effect.

And I'd like to say, as an aside, the U.S. does some things very good encouraging competition. The World Bank has had very interesting results in the efficacy of private schooling and maybe we can talk about this more in the question and answering. There simply is no data that support a preponderance of students going into madrasses or that madrasses students are more poor on the average than public school students. So there's a lot of data that simply doesn't support the most hair raising of accounts that we hear in the media. And I'm happy to talk about that. I've done a lot of work on that area.

I'm also concerned with the United States may not have the capacity to execute such a capacious program responsibly and with effective outcomes given the human capital challenges within the U.S. mission in Pakistan, the constricted security environment that constrains them, the very real danger to U.S. personnel in Pakistan, and a potential paucity of credible Pakistani reformers dedicated to the kind of capacity building you have envisioned in this legislation.

In addition, the U.S. aid business model of relying upon layers of contractors to deliver services may result in much of the funding returning to the United States suboptimal outcomes and greater disappointment in the failure to deliver services to the Pakistani polity.

What I do not see in this legislation is any provision to enable Pakistan to increase its own ability to raise domestic revenue. Long term aid aimed to help the Pakistani government deliver services undermines the social contract between the government and the governed because the government has few incentives to raise revenue and redistribute these funds as services or even to make hard choices about budgetary commitments, and I'm talking specifically about the trade off between human capital development and military expenditures. There are simply few reasons why Pakistan cannot in the near term learn to pay for itself and it should be encouraged to do so.

The bill also pays scant regard to Pakistan's police, despite the robust counter insurgency literature that consistently finds that police win insurgencies, not armies, and we're learning this also in Afghanistan. This legislation simply does not pay adequate attention to the Pakistan police. Yet unlike the army which has shown considerable resistance to change its doctrine towards one that is more COIN inclined and less inclined to be ready to fight India, Pakistan's police have actually tried to reform themselves, yet they are obstructed by Pakistan's bureaucrats and political leadership.

Yet the police are poorly trained, poorly equipped, undermanned and under fire from the insurgents. Quite frankly, they are sitting ducks.

My most significant concern stems from the provisions in Section 206. The majority of the proposed security assistance is aimed at buttressing Pakistan's ability to effectively eliminate insurgent and terrorist threats. While I support the sense of the House that Pakistan must be held to account on nuclear proliferation and supporting militant groups terrorizing the region, there is little likelihood that Pakistan will acquiesce to stated demands.

And this puts the United States in a very awkward position of having to once again execute waiver authority to allow funding to continue. It continues a well worn cycle of the United States bending its commitment to accommodate the importance of dealing with Pakistan. And quite frankly, it undermines Pakistan's interpretation of U.S. intentions of how serious these issues are.

I prefer a benchmark or a metrics-based approach, which actually tries to achieve the same goals that you've identified in this legislation but one which provides a mechanism for verification, data that will be used to prove compliance. And we can talk about more, perhaps in the Q&A, but I think a data driven process oriented benchmark focus process has greater transparency and will be more easy to communicate to the Pakistanis if after concerted collaborative effort Pakistan continues to fail to meet our expectations. And a revision of security systems is important.

Thank you very much.